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Attorneys for Plaintiff Neuberger Berman LLC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: .
LEHMAN BROTHERS HOLDINGS INC., *et al.* : Case No. 08-13555 (JMP)
: .
Debtors. : (Jointly Administered)
: .
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NEUBERGER BERMAN LLC, : .
: .
Plaintiff, : .
: .
v. : Adversary Proceeding No. _____
THE FRIDATOR TRUST, : .
MORGAN STANLEY & CO., INC. : .
LEHMAN BROTHERS INC., and : .
LEHMAN BROTHERS COMMERCIAL CORP. : .
: .
Defendants. : .
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COMPLAINT FOR DECLARATORY JUDGMENT

The plaintiff, Neuberger Berman LLC (“Neuberger Berman”), by and through its attorneys, Hoffman & Pollok LLP, for its Complaint against the defendants, alleges as follows:

NATURE OF THE ACTION

1. This is an action for declaratory judgment. The facts that give rise to the claim for declaratory judgment arise out of a series of currency exchange transactions between Neuberger Berman, on one hand, and Morgan Stanley, on the other hand. The settlement date for these currency exchange transactions was September 30, 2008. The currency exchange transactions were entered into by Neuberger Berman for the account of defendant The Fridator Trust.

2. Neuberger Berman seeks a declaration whether, for the currency exchange transactions, it is owed sums of money from Morgan Stanley. A declaration from the Court will assist the parties to this lawsuit in determining their respective rights and responsibilities.

PARTIES

3. Neuberger Berman is a Delaware limited liability company.

4. Upon information and belief, defendant The Fridator Trust (“Fridator”) is organized under the laws of Manitoba, Canada and is located in Amsterdam, The Netherlands.

5. Upon information and belief, defendant Morgan Stanley & Co., Inc. (“Morgan Stanley”) is a Delaware Corporation with its principal place of business in New York, New York.

6. Upon information and belief, defendant Lehman Brothers Commercial Corporation (“LBCC”) is a Delaware Corporation with its principal place of business in New York, New York.

7. Upon information and belief, defendant Lehman Brothers Inc. (“LBI”) (together with LBCC, “Lehman”) is a Delaware Corporation with its principal place of business in New York, New York.

8. On or about October 5, 2008, LBCC filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

9. On or about September 19, 2008, a proceeding was commenced against LBI under the Securities Investor Protection Act.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C., §§ 157 and 1334, because the claim set forth herein arises under the Bankruptcy Code, or arises in or is related to the voluntary petition for relief under chapter 11 of the Bankruptcy Code filed by Lehman Brothers Holdings Inc., *et al.* This is a core proceeding pursuant to 28 U.S.C., §§ 157(b)(1) and (b)(2)(A).

11. Declaratory judgment is proper pursuant to Fed. R. Civ. Proc. 57 and 28 U.S.C. § 2201, because there exists an actual controversy between and among Morgan Stanley, Lehman, Fridator, and Neuberger Berman. The controversy concerns which entity is entitled to the proceeds from the various currency exchange transactions described herein.

12. Venue is proper in this Court pursuant to 28 U.S.C., § 1409(a) because this adversary proceeding arises in or is related to the above-captioned chapter 11 case.

FACTS

13. Neuberger Berman manages money for Fridator. Neuberger Berman entered into the currency exchange transactions detailed herein.

14. On or about August 1, 2008 and August 4, 2008, Morgan Stanley and Neuberger Berman engaged in a series of currency exchange transactions (the “Morgan Stanley Currency Exchanges”). The settlement date for the Morgan Stanley Currency Exchanges was September 30, 2008.

15. Based on the applicable currency exchange rates on the settlement date, Neuberger Berman had a gain on the Morgan Stanley Currency Exchanges and Morgan Stanley had a loss (hereinafter the "Morgan Stanley Currency Proceeds"). Morgan Stanley is presently holding the Morgan Stanley Currency Proceeds. Neuberger Berman is owed the Morgan Stanley Currency Proceeds from Morgan Stanley

16. Upon information and belief, Lehman claims that it is entitled to the payment of the Morgan Stanley Currency Proceeds.

17. Upon information and belief, Fridator claims that it is entitled to the payment of the Morgan Stanley Currency Proceeds.

18. As a result of the conflicting claims of Neuberger Berman, Lehman, and Fridator, Morgan Stanley has retained the Morgan Stanley Currency Proceeds, and a matter of actual controversy exists as to whether Morgan Stanley owes the Morgan Stanley Currency Proceeds to Neuberger Berman, Lehman, or Fridator.

COUNT I

DECLARATORY JUDGMENT (AGAINST MORGAN STANLEY, LEHMAN, AND FRIDATOR)

19. The plaintiff, Neuberger Berman, repeats and realleges the allegations contained in Paragraphs 1 through 18 of this Complaint as if fully set forth herein.

20. A substantial and actual controversy exists between and among Neuberger Berman, Morgan Stanley, Lehman, and Fridator as to who is entitled to the Morgan Stanley Currency Proceeds.

21. Pursuant to 28 U.S.C. § 2201 and 11 U.S.C. § 105(a), this Court has the power to declare and adjudicate the rights and obligations of Neuberger Berman, Morgan Stanley,

Fridator, and Lehman and to grant such other and further relief as may be necessary to enforce the rights and obligations of the parties to the Morgan Stanley Currency Exchanges.

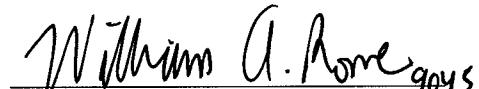
WHEREFORE, Neuberger Berman respectfully requests judgment as follows:

- (a) declaring the right, title, and interest of: (i) Neuberger Berman, Morgan Stanley, Lehman, and Fridator to the Morgan Stanley Currency Proceeds;
- (b) restraining and enjoining the defendants from commencing or prosecuting any action seeking amounts from Neuberger Berman due under the Morgan Stanley Currency Exchanges;
- (c) awarding Neuberger Berman its attorney fees, costs, disbursements, and expenses incurred in this action; and
- (d) awarding such other and further relief as the Court deems just, proper, and equitable.

Dated: New York, New York
 September 16, 2010

HOFFMAN & POLLOK LLP

By:


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